

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	Case No. 01-1139 (JKF)
W.R. GRACE & CO., <i>et al.</i> ,)	Jointly Administered
)	
Debtors.)	Related to Docket No. 21345, 24407, 24471

**RESERVATION OF RIGHTS OF MARYLAND CASUALTY COMPANY TO SEEK
TO LIMIT OR PROHIBIT PARTICIPATION BY THE ABESTOS CLAIMANTS'
COMMITTEE AND THE FUTURE CLAIMANTS' REPRESENTATIVE
IN THE DEBTORS' OBJECTION TO CLAIMS FILED BY
MARYLAND CASUALTY COMPANY**

Maryland Casualty Company ("MCC"), by and through its undersigned counsel, hereby reserves its right to seek to limit or prohibit the participation of the Official Committee of Asbestos Personal Injury Claimants and the Asbestos PI Future Claimants' Representative (jointly the "Committees") in the contested matter initiated by *Debtors' Objection to Claims filed by Maryland Casualty Company* [Docket No. 21345] ("Claims Objection").

I. BACKGROUND

A. Bankruptcy Filing and Proofs of Claim

The above-captioned debtors ("Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code with this Court on April 2, 2001. Subsequently, MCC timely filed sixty-two (62) separate proofs of claim ("Proofs of Claim") – one proof of claim against each of the sixty-two (62) Debtors. Each Proof of Claim asserts separate, independent claims against the respective Debtor in whose bankruptcy case the Proof of Claim was filed. The Proofs of Claim properly assert valid claims for the Debtors' joint and several liability arising from both contractual indemnity rights under settlement agreements between MCC and the Debtors, and MCC's common law indemnity and contribution rights.

B. Claims Objection

On April 21, 2009, Debtors filed the Claims Objection seeking to disallow, in their entirety, all of MCC's Proofs of Claim.¹ On March 5, 2010, MCC filed its *Response of Maryland Casualty Company in Opposition to Debtors' Objection to Claims* [Docket No. 24407]. On March 19, 2010, the Committees filed the *Joinder of David T. Austern, Asbestos PI Future Claimants' Representative, and the Official Committee of Asbestos Personal Injury Claimants in the Debtors' Objection to Claims filed by Maryland Casualty Company* [Docket No. 24471].

II. RESERVATION OF RIGHTS

MCC recognizes this Circuit's current position on the intervention of official committees. Therefore, MCC does not object to the Committees' intervention at this time. However, even if a party has the right to intervene, the Court may limit the scope of that party's participation. 9 *Collier on Bankruptcy*, ¶2018.04[2], at 2018.6; *see also, In re Alterra Healthcare Corp.*, 353 B.R. 66, 70-71 (Bankr. D. Del. 2006).

The Debtors are capable of prosecuting the Claims Objection without the duplicative and unnecessary efforts of third parties. Therefore, should this Court grant any intervention application that the Committees may make, the Committees' participation in this contested matter should be limited to maintain efficiency. Because MCC expects that the Committees will do so on their own, MCC does not request any specific limitation at this time, but reserves the right to do so in the future.

¹ The portion of the Claims Objection based on section 502(e) of the Bankruptcy Code was withdrawn.

III. CONCLUSION

For the foregoing reasons and authorities, MCC respectfully requests that the Court (i) limit, as necessary, any substantive participation in the Claims Objection by the Committees, and (ii) grant such other and further relief as the Court deems just and proper.

Dated: May 19, 2010

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